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A record USD 2.5 trillion of trade and investment was supported by credit and investment insurers of the Berne Union in 2018 – 13% of total cross-border merchandise trade¹.

Insurers have paid claims in excess of USD 6 bn for the fourth consecutive year, with total indemnifications since the Global Financial Crisis now over USD 50 bn

Singapore, 11th April 2019 – over 250 senior leaders of the credit and investment insurance industry have gathered today in this global hub for trade, attending the first ever Berne Union General Meeting held in Singapore.

The meeting is jointly hosted by four private sector members of the Berne Union: AXA XL, Chubb, Liberty and Zurich. Berne Union Secretary General Vinco David comments, “the location and hosts of this meeting really symbolise both the increasing shift of trade eastwards, and at the same time the increasing presence and importance of the private credit and political risk insurance industry, complementing the large export credit agencies in the region.”

Industry data for 2018

Today the Berne Union also released a report on industry performance in 2018.

USD 2.48 trillion total new business covered is +7% compared to 2017 and the largest overall increase since 2011. This is composed of:

- **USD 2,237 bn** – *short term trade credit*
cover for non-payment due to insolvency relating to trade largely in manufactured components, consumer goods and commodities
- **USD 193 bn**– *medium / long-term export credit*
in support of trade in capital goods and projects
- **USD 46 bn** – *investment insurance*
protecting against political risks including: political violence, expropriation, contract frustration, business interruption and currency inconvertibility

Cover for risks in Western Europe (27%), North America (11%) and East Asia (10%) collectively account for almost half of all new commitments. Southern and Eastern Europe and Southeast Asia contribute over 20% together. South America, Africa and the Middle East each take around 5%. The fastest growth was again seen in regions of Africa.

Members are keeping a close eye on claims, with total indemnifications in 2018 rising 3% to USD 6.4 billion. This is 17% higher than the peak of claims paid in 2009, at the height of the global financial crisis, and 75% higher than the yearly average for the previous decade.

Also of note is the return of political risks as a trigger for claims payments. Political claims more than doubled from 2017 to 2018 and from a low in 2016 of just 9%, political claims have now increased to 32% of the total paid last year.

Berne Union President, Beatriz Reguero states that “the level of claims Berne Union members are reporting is historically high but supported by the increasing volume of new business underwritten. The current environment is full of uncertainty caused by both political and economic factors. As facilitators of trade it is our role to navigate this alongside the exporters and financiers driving the real economy, and to provide the risk capacity they need to carry out their business.

For further information please contact Paul Heaney, Associate Director at the Berne Union.

About the Berne Union

The Berne Union is the international association of export credit and investment insurers. The 84 members include government-backed export credit agencies, private credit and political risk insurers and multilateral agencies from 73 countries – representing all aspects of the industry worldwide.

Members collectively provide payment risk protection equivalent to approximately 13% of annual world trade, compensating banks and exporters for losses suffered due to defaults by buyers or other obligors and providing flexible risk capacity to support international trade transactions.

More information on the Berne Union and its members via www.berneunion.org

ⁱ Source for total trade, WTO